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**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 09-13-00

STATE PLUMBING BOARD OF LOUISIANA
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NEW ORLEANS, LOUISIANA 70119
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GOVERNING BOARD

Linden Raimer
Johnny Gypin
Robert Jaeger, II
James Osborne, Jr.
James C. Finley
Louis Robein, Jr.
Rick Lanier
Robert Rolston
Jack Hicks

Don Traylor, Executive Director

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Leroy J. Chustz, CPA, APAC

and

Beverly A. Ryall, CPA

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board Members of
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the STATE PLUMBING BOARD OF LOUISIANA, a component unit of the State of Louisiana, as of and for the year ended June 30, 2000, as listed in the Table of Contents. These financial statements are the responsibility of management of the State Plumbing Board of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State Plumbing Board of Louisiana as of June 30, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

We have also issued a report dated August 7, 2000, on our consideration of the State Plumbing Board of Louisiana's annual financial report to the Louisiana Division of Administration as of and for the year ended June 30, 2000.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 7, 2000, on our consideration of the State Plumbing Board of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

Leroy J. Chustz

Certified Public Accountant, APAC

Beverly A. Ryall

Certified Public Accountant

August 7, 2000

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
JUNE 30, 2000

	Governmental Fund Type	Account Groups		Totals (Memorandum) Only)
	General	General Fixed Assets	General Long-Term Obligations	
ASSETS				
Cash and cash equivalents	\$ 404,059			\$ 404,059
Accounts receivable	2,148			2,148
Prepaid expenses	4,077			4,077
Fixed assets		\$ 80,357		80,357
Amount to be provided for retirement of general long-term obligations			\$ 20,447	20,447
TOTAL ASSETS	\$ 410,284	\$ 80,357	\$ 20,447	\$ 511,088
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable				
Accrued wages payable	\$ 3,613			\$ 3,613
Payroll deductions and accruals	6,859			6,859
Deferred revenue	22,125			22,125
Accrued compensated absences			\$ 20,447	20,447
Total Liabilities	32,597		20,447	53,044
<i>Fund Equity:</i>				
Investment in general fixed assets		\$ 80,357		80,357
Fund balances - Unreserved - undesignated	377,687			377,687
Total Fund Equity	377,687	80,357		458,044
TOTAL LIABILITIES AND FUND EQUITY	\$ 410,284	\$ 80,357	\$ 20,447	\$ 511,088

The accompanying notes are an integral part of this statement.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
YEAR ENDED JUNE 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Use of money and property -			
Interest earnings	\$ 20,000	\$ 18,026	\$ (1,974)
Licenses, permits, and fees -			
License renewals -			
Current year	374,000	363,370	(10,630)
Prior year		6,780	6,780
Revivals		20,150	20,150
Examination fees	71,500	75,197	3,697
Enforcement fees	35,000	47,290	12,290
Temporary permits		4,675	4,675
Other revenues	6,300	1,320	(4,980)
Total Revenues	506,800	536,808	30,008
<i>Expenditures:</i>			
Current -			
Personal services -			
Commissioners per diem	10,000	9,525	475
Salaries and benefits	327,515	314,638	12,877
Travel	58,000	48,786	9,214
Operating services	117,400	91,411	25,989
Supplies	1,200	4,811	(3,611)
Professional services	97,700	63,299	34,401
Capital outlays	6,000	8,497	(2,497)
Total Expenditures	617,815	540,967	76,848
<i>Excess of Revenues (Expenditures)</i>	(111,015)	(4,159)	106,856
Fund Balance - July 1, 1999	381,846	381,846	
FUND BALANCE - June 30, 2000	\$ 270,831	\$ 377,687	\$ 106,856

The accompanying notes are an integral part of this statement.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 - INTRODUCTION

The State Plumbing Board of Louisiana was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers, and three journeyman plumbers. Each appointment is made from a list of three names for each appointment submitted by the following:

1. The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
2. Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
3. Journeymen plumbers by the Louisiana Pipe Trades Association or its successor.

The Board elects from its members a chairman, a vice chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd-numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- plumbing installation or plumbing work of any character (journeyman plumber)
- business of a master plumber
- apprentice plumber
- installing piping used solely to transport gases for medical purposes

The Board's office is located in New Orleans, Louisiana, and employs 2 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The State Plumbing Board of Louisiana prepares its financial statements in accordance with the standards established by the GASB.

Reporting Entity

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The State Plumbing Board of Louisiana is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a general purpose financial statement which includes the activity contained in the accompanying financial statement. The general purpose financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

Fund Accounting

The accounts of the State Plumbing Board of Louisiana are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in these funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Board and is classified as a governmental fund. It accounts for the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acqui-

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

tion or construction of general fixed assets, and the servicing of general long-term debt.

Account Groups

The Board has one account group which is not "funds". It is concerned only with the measurement of financial position, not with measurement of results of operations. Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Licenses, permits and examination fees are recorded in the year the fees are earned. Amounts collected in advance, such as deposits on examinations, are recorded as deferred revenues.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when they become available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid.

Budget Practices

In accordance with LSA-R.S. 39:1332-1342, the State Plumbing Board of Louisiana is required to submit a copy of its proposed budget for the upcoming fiscal year by the first day of the preceding January to the Joint Legislative Committee on the Budget, to each chairman of a

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

standing committee of the Legislature having jurisdiction, to the Legislative Auditor, and the Legislative Fiscal Office.

The Board prepares its budget on the modified accrual basis of accounting which is adopted by the Board in November. All appropriations contained in the budget lapse at year end.

Budgeted amounts included in the accompanying financial statements include the original adopted budget. Formal budget integration is employed as a management control device during the year.

Encumbrances

Encumbrance accounting is used when purchase orders are recorded in order to reserve that portion of the applicable appropriation. The Board does not follow the encumbrance method of accounting.

Cash and Investments

Under state law, the Board may deposit funds with a bank organized under Louisiana law or of any other state of the United States, or under the laws of the United States. Cash and cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Investments are limited by R.S. 33:2955 and the Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumu-

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

lated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused vacation leave payable at June 30, 2000, calculated in accordance with Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$20,447.

Fund Equity

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations. Reservations and designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Board purchases insurance coverage through the State Office of Risk Management, which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Total Column on Balance Sheet

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 3 - CASH and CASH EQUIVALENTS

At June 30, 2000, the Board has cash and cash equivalents (book balances) totaling \$404,059, as follows:

Petty cash	\$ 200
Interest bearing demand deposits	53,859
Time deposits	<u>350,000</u>
Total	<u><u>\$ 404,059</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2000, the Board has \$419,300 in deposits (collected bank balances). These deposits are secured from risk by \$153,859 of federal deposit insurance and \$285,930 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets composed of furniture and office equipment follows:

Balance, July 1, 1999	\$ 72,698
Additions	8,497
Deletions	<u>(838)</u>
Balance, June 30, 2000	<u><u>\$ 80,357</u></u>

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

General long-term obligations consist entirely of compensated absences. The following is a summary of the long-term obligation transactions for the year ended June 30, 2000.

Balance, July 1, 1999	\$ 18,700
Additions	6,160
Deletions	<u>(4,413)</u>
Balance, June 30, 2000	<u>\$ 20,447</u>

NOTE 6 - PENSION PLAN

The majority of employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804.

In addition to the employee contribution withheld at 7.5% of gross salary, the Board contributes an additional percentage of gross salary to the System of 12.4%. Contributions to the System during the fiscal year ended June 30, 2000 were funded through employee and employer contributions of \$37,446. The total payroll of the Board, fully covered by the system, was \$189,119 for the year ended June 30, 2000. Under present statutes, the Board does not guarantee any of the benefits granted by the system.

**NOTE 7 - POSTEMPLOYMENT HEALTH CARE
and LIFE INSURANCE BENEFITS**

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board's employees become eligible for these benefits if

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the employee and by the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2000, the cost of retiree benefits totaled \$6,685.

NOTE 8 - LEASES

The Board has no capital leases at June 30, 2000.

The Board has two operating leases for office space as follows:

1. On April 1, 1996, the Board entered into a five (5) year lease for 4,639 square feet of usable space located at 12497 Airline Highway, Baton Rouge, Louisiana, to be used as an office, at the rate of \$7.34 per square foot per annum (\$2,837.58 per month) with thirty (30) parking spaces. The term of the lease commenced on October 1, 1996 and expires on September 30, 2001. The lease can be extended for an additional five (5) years with a rate tied to the United States Government Consumer Price Index.
2. On December 5, 1996, the Board extended a three (3) year lease for 1,813 square feet of usable space located at 2714 Canal Street, Suite 400 and 512, New Orleans, Louisiana, to be used as an office, at the rate of \$10.25 per square foot per annum (\$1,239.40 per month) with six (6) parking spaces. The term of the first extension of the lease commenced on February 1, 2000 and expires on January 31, 2003. The lease can be extended for a second additional three (3) years at the same rate and conditions.

Rental expenditures for office space during the year ending June 30, 2000 was \$48,924.

Future minimum lease payments under these leases are as follows:

Year Ending June 30,	Amount
2001	\$ 48,924
2002	23,386
2003	8,676

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000**

Since the payment schedule is considered systematic and rational under GASB Statement No. 13, rental expenditure is based on the relevant lease agreement and not in accordance with lease terms as required by GASB Statement No. 13.

NOTE 9 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the Board at June 30, 2000.

NOTE 10 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal year ended June 30, 2000.

NOTE 11 - COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day plus actual expenses.

<u>Commissioner</u>	<u>No. of Days</u>	<u>Amount</u>
Preston Dejean	2	\$ 150
James Finley	23	2,325
Johnny Gypin	6	450
Jack Hicks	6	450
Rick Lanier	12	900
James Osborne, Jr.	12	900
Linden Raimier	2	150
Robert Rolston	56	4,200
Total		<u>\$ 9,525</u>

SUPPLEMENTAL INFORMATION REQUIRED BY
STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

Leroy J. Chustx, CPA,
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and

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**INDEPENDENT AUDITOR'S REPORT ON
THE ANNUAL FINANCIAL REPORT TO THE
STATE OF LOUISIANA, DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

**Board Members of
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana**

Our report on the audit of the general purpose financial statements of the **STATE PLUMBING BOARD OF LOUISIANA** as of and for the eighteen months ended June 30, 2000, appears on Page 1. That audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Annual Financial Report is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and,, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole

Leroy J. Chustx
Certified Public Accountant, APAC

Beverly A. Ryall
Certified Public Accountant

August 7, 2000

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
NEW ORLEANS, LOUISIANA

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STATE OF LOUISIANA

Annual Financial Statement
Fiscal Year Ending June 30, 2000

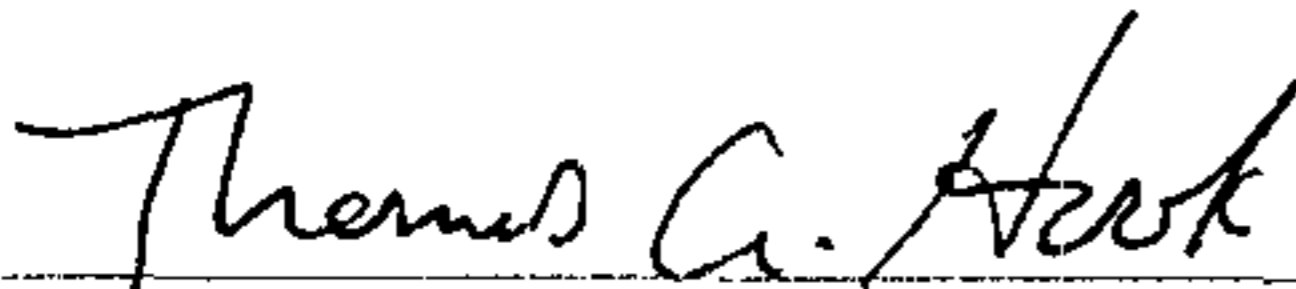
State Plumbing Board of Louisiana

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Thomas A. Hook, Administrative Assistant of the State Plumbing Board of Louisiana who duly sworn, deposes and says, that the financial statement herewith given present fairly the financial position of the State Plumbing Board of Louisiana at June 30, 2000, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Standards Board. Sworn and subscribed before me, this 16th day of August, 2000.

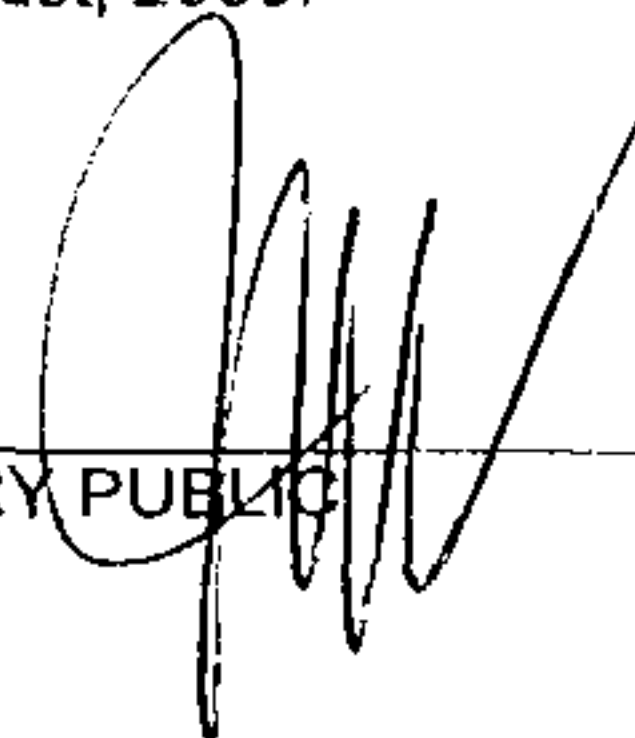


SIGNATURE OF AGENCY OFFICIAL

Prepared by: Thomas A. Hook

Telephone No.: (504) 826-2382

Date: August 16, 2000



NOTARY PUBLIC

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

	Governmental Fund General Fund	General Fixed Assets	General Long-term Obligations	Total (Memorandum Only)
<u>ASSETS</u>				
Cash and cash equivalents	404,059	-	-	404,059
Accounts receivable	2,148	-	-	2,148
Prepaid expenses	4,077	-	-	4,077
Fixed assets	-	80,357	-	80,357
Amount to be provided for retirement of long-term obligations	-	-	20,507	20,507
Total Assets	<u>410,284</u>	<u>80,357</u>	<u>20,507</u>	<u>511,148</u>

LIABILITIES, FUND EQUITY AND OTHER CREDITS

Accounts payable	-	-	-	-
Deferred revenue	22,125	-	-	22,125
Accrued expenses	10,472	-	-	10,472
Long-term obligations payable	-	-	20,507	20,507
Total Liabilities	<u>\$32,597</u>	<u>-</u>	<u>\$20,507</u>	<u>\$53,104</u>

TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS

Investments in general fixed assets		80,357	-	80,357
Fund balance-unreserved-undesignated	<u>377,688</u>	<u>-</u>	<u>-</u>	<u>377,688</u>
Total Fund Equity	<u>377,688</u>	<u>80,357</u>	<u>-</u>	<u>458,045</u>
Total Liabilities and Fund Equity	<u>\$410,284</u>	<u>\$80,357</u>	<u>\$20,507</u>	<u>\$511,148</u>

The accompanying notes are an integral part of this statement
Statement A

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND - GENERAL FUND

Year Ended June 30, 2000

Revenues:

License renewals:

Current year	\$363,370
Prior year	6,780
Revivals	20,150
Examination fees	75,198
Enforcement fees	47,290
Interest earned	18,026
Temporary permits	4,675
Other	1,320

Total Revenues

536,809

Expenditures:

Public Safety - other protection

Examination of licensed occupations:

Personal services and related benefits	324,163
Operating services	150,885
Materials and supplies	5,661
Travel and other charges	50,637
Capital outlay - property and equipment	8,497
Other	1,125

Total Expenditures

540,968

Excess of expenditures over revenues

(4,159)

Fund balance:

Beginning of year

381,846

End of year

\$377,687

The accompanying notes are an integral part of this statement
Statement B

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GOVERNMENTAL FUND - GENERAL FUND

Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
License renewals			
Current year	\$336,600	\$363,370	\$26,770
Prior year	12,455	6,780	(5,675)
Revivals	24,945	20,150	(4,795)
Examination fees	71,500	75,198	3,698
Enforcement actions	35,000	47,290	12,290
Miscellaneous	26,300	24,021	(2,279)
	<hr/>	<hr/>	<hr/>
Total Revenues	506,800	536,809	30,009
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public safety - other protection			
Examination of licensed occupations			
Personal services and related benefits	337,515	324,163	13,352
Operating services	201,100	150,885	50,215
Materials and supplies	11,500	5,661	5,839
Travel and other charges	58,000	50,637	7,363
Capital outlay - property and equipment	8,500	8,497	3
Other	1,200	1,125	75
	<hr/>	<hr/>	<hr/>
Total Expenditures	617,815	540,968	76,847
	<hr/>	<hr/>	<hr/>
Excess of expenditures over Revenues	<u>\$(111,015)</u>	<u>(4,159)</u>	<u>\$106,856</u>
Fund balance:			
Beginning of year		<u>381,846</u>	
End of year		\$377,687	

The accompanying notes are an integral part of this statement
Statement C

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2000

The State Plumbing Board of Louisiana is a component unit of the State of Louisiana created within the Louisiana Department of Labor, formerly Department of Employment and Training, as provided by Louisiana Revised Statutes 37:1361-1380. The Board is composed of eight members, appointed by the governor, who serve six-year terms. The Board is charged with the responsibility of licensing and regulating the practice of Plumbing in the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards for state and local governmental entities. In June 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

2. Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the Board members and public service is rendered within the State's boundaries. The accompanying component unit financial statements present information only as to the transactions of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements. The general purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

3. Fund Accounting

The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable financial resources. The funds presented in the financial statement are described as follows:

General Fund

The accounts of the Board are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the Board and accounts for all financial resources.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

Account Groups

- a. General fixed Asset Account Group – fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds.
- b. General Long Term Debt Account Group – obligations such as compensated absences payable expected to be financed from governmental funds are accounted for in the general long-term debt account group not in the governmental funds.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on a modified accrual basis of accounting using the following practices:

Revenues

Licenses, permits and examination fees are recorded in the year the fees are earned, which approximates when measurable and available. Amounts are collected in advance, such as deposits on examinations, and are recorded as deferred revenues.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available. All other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except of accumulated vacation leave, which is expended (recognized) when paid.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. The Board does not employ encumbrance accounting for reporting purposes or as a management tool.

6. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

B. BUDGET PRACTICES

The State Plumbing Board of Louisiana utilizes the following budgetary practices:

Annually, the Board adopts a budget that is submitted to the Joint Legislative Committee on the Budget, the Legislative Auditor, the Legislative Fiscal Office, and each chairman of the Labor and Industrial Relations Committee of both the Louisiana House of Representatives and Louisiana Senate as prescribed by LRS 39:1331-1342. The budget for the year ending June 30, 2000, was adopted by the Board at the annual meeting held on November 19, 1998. The budget is prepared and reported on a cash basis of accounting. Although budget amounts lapse at year-end, the Board retains its unexpended fund balance to fund expenditures of the succeeding year. There were no amendments made to the budget for the year ending June 30, 2000, and no individual funds had actual expenditures over adopted budgeted expenditures for the year ended June 30, 2000.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Governmental Fund - General Fund presents comparisons of the legally adopted budget with actual data on a budgetary basis.

The following revenue accounts have been combined into miscellaneous fees for the comparison as follows:

Interest earned	\$18,026
Temporary permits	4,675
Duplicate License Fees	380
Rosters	410
Service Charges	480
Other	50
	<hr/>
Miscellaneous fees	\$24,021
	<hr/>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law, the State Plumbing Board of Louisiana may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and in share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with fiscal agent. The pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

The State Plumbing Board of Louisiana has cash and cash equivalents (book balance) totaling \$404,049 at June 30, 2000. The following is a summary of the bank (collected) balances of cash and cash equivalents at June 30, 2000. All funds represented herein are on deposit with Whitney National Bank, and all funds exceeding Federal Deposit Insurance Corporation limitations were collateralized with securities pledged in joint custody to the Federal Reserve Bank.

Cash - demand deposit	\$69,500
Certificates of deposit	<u>350,000</u>
Total	<u>\$419,500</u>

2. INVESTMENTS

The Board made or maintained no investments during the year ended June 30, 2000.

D. RECEIVABLES

At June 30, 2000, the Board had net receivable balances, totaling \$2,148, as follows:

Enforcement Fees	\$500
License Fees	550
Examination Fees	75
NSF Check Fees	60
Interagency (Louisiana State Employees Retirement System)	<u>963</u>
Total Receivables	<u>\$2,148</u>

E. GENERAL FIXED ASSETS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	\$76,949	\$8,497	\$5,089	\$80,357

The beginning balance for the year ended June 30, 2000 contains an adjustment from the previous year. Said adjustment is necessitated by the erroneous reporting of a deletion of the same item, in the amount of \$1,417, for each of the three preceding years. This deletion represents the surrender of item number 000069, an A. B. Dick Electronic Stencil Maker, which occurred on June 27, 1994, via Form BF-11 (Property Transaction) Number 360477.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

The Louisiana Property Assistance Agency (LPAA), a unit of the Division of Administration, received the property and subsequently disposed of it as surplus but did not remove the item from its records. LPAA maintains the property database that the physical inventory is reconciled to each year, and the Board's Certification of Annual Property Inventory for the years 1997, 1998, and 1999 each listed the item as equipment disposed of prior to the date of the print-out used for the aforementioned reconciliation, as it was still listed in the print-out. LPAA officially removed the item from the database subsequent to the year 2000 certification and the amount attributed to that deletion is in the current reporting period's total deletions.

Long-term obligations expected to be financed from the General Fund are accounted for the general long-term obligations account group

F. PAYABLES

At June 30, 2000, the Board had payables totaling \$10,472.

<u>Class of Payable</u>	<u>Total</u>
Taxes payable	\$1,705
Salaries payable	3,613
Payroll deductions payable	2,496
Retirement System-Agency Contribution	2,658
	<hr/>
Total Receivables	<u>\$10,472</u>

G. RETIREMENT SYSTEM

System publishes yearly annual financial reports that include detailed historical, financial, and actuarial information.

All full-time State Plumbing Board of Louisiana employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana State Employment Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by LRS 11:102. The contribution rate for the fiscal year ended June 30, 2000, decreased to 12.3% from the 13.0% and 12.4% required in fiscal years ended June 30, 1999, and 1998, respectively. The Board's contributions to the System for the year ended June 30, 2000 were \$23,154 and were equal to the required contributions for the year.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

H. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when paid during the year, which was \$9,636 for the year ended June 30, 2000. The Board's cost of providing retiree health care and life insurance for benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2000 the costs of benefits for one retiree totaled \$5,529.

I. LEAVE

1. COMPENSATED ABSENCES

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused vacation leave payable at June 30, 2000, Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$20,507.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave for the year ended June 30, 2000, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$2,306. Leave payable is not recorded in the accompanying financial statements.

J. LEASES

1. CAPITAL LEASES

The Board had no capital leases as of June 30, 2000.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

2. OPERATING LEASES

The total payments for operating leases during the fiscal year 1999-2000 amounted to \$48,923. A schedule of payments for operating leases follows.

Nature of Operating Lease	Year	Total
Office Space	2000-01	\$48,923
Office Space	2001-02	23,386
Office Space	2002-03	7,436
Office Space	2003-04	0
Office Space	2004-05	0
Office Space	Thereafter	0

3. REVENUE LEASES

The Board had no revenue leases as of June 30, 2000.

K. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the long-term obligation account group, not in the governmental funds. The Board's long-term obligations consist entirely of compensated absences. The following is a summary of the long-term obligation transactions for the year ended June 30, 2000.

Long-term obligations payable at June 30, 1999	\$18,700
Additions	1908
Deletions	101
Long-term obligations payable at June 30, 2000	<u>\$20,507</u>

L. LITIGATION

The State Plumbing Board of Louisiana is not a defendant in any litigation seeking damages as of June 30, 2000. The Board's legal advisor estimates that there are no potential claims that would materially affect the financial statements.

M. RELATED PARTY TRANSACTIONS

The Board reports no related party transactions for the year ended June 30, 2000.

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting error. The effect of the change is being shown in the beginning balance of general fixed assets.

O. FUND DEFICITS

There were no individual funds having deficits in unreserved fund balance at June 30, 2000.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and for the Year Ended June 30, 2000

P. ENCUMBRANCES

The Board does not utilize encumbrance accounting as a management tool or for reporting purposes.

Q. SUBSEQUENT EVENTS

There were no material events affecting the State Plumbing Board of Louisiana occurring between the close of the fiscal period and issuance of the financial statement.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS

As of and for the Year Ended June 30, 2000

<u>Name</u>	<u>Amount</u>
James Finley	\$2,325
Preston Dejean	150
Johnny Gypin	450
Jack Hicks	450
Rick Lanier	900
James Osborne, Jr.	900
Linden Raimer	150
Robert Rolston	<u>4,200</u>
Total	<u>\$9,525</u>

SCHEDULE 1

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR

SCHEDULE OF EXPENDITURES BY OBJECT

As of and for the Year Ended June 30, 2000

<u>Expenditure</u>	<u>Amount</u>
Personal services	\$324,163
Travel	50,637
Operating services	87,586
Supplies	5,661
Professional services	63,299
Other charges	1,125
Capital outlay	8,497
Interagency transfers	0
Debt service	0
Total	<u>\$540,968</u>

SCHEDULE 2

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

Leroy J. Chustz, CPA, APAC

and

Beverly A. Ryall, CPA

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board Members of
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana

We have audited the general purpose financial statements of the STATE PLUMBING BOARD OF LOUISIANA, a component unit of the State of Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated August 7, 2000. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the State Plumbing Board of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State Plumbing Board of Louisiana's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the State Plumbing Board of Louisiana and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

Leroy J. Chustz

Certified Public Accountant, APAC

Beverly A. Ryall

Certified Public Accountant

August 7, 2000

**STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2000**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of State Plumbing Board of Louisiana.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance were disclosed during the audit of the general purpose financial statements.
4. There were no federal awards received by State Plumbing Board of Louisiana.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None